IFS Capital Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700827C)

RESPONSE TO QUERY RAISED BY SGX REGCO ON ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors of IFS Capital Limited (the "**Company**") refers to the query raised by the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") on 11 April 2023 in relation to the Company's Annual Report for the financial year ended 31 December 2022 (the "**Annual Report 2022**") and would like to set out its response to the query as follows:

SGX RegCo's Query:

Listing Rule 1207(10C) provides that the Company must state in its annual report the Audit Committee's ("AC") comment on whether the internal audit function is independent, effective and adequately resources. We note that the Company has not disclosed the AC's comment in the annual report. Please disclose accordingly.

Company's Response:

The Company refers to page 49 of the Annual Report 2022 whereby it is stated, *inter alia*, that:

- the Group has an in-house internal audit function that is independent of the activities it audits and the internal auditors report functionally to the Chairman of the Audit and Risk Committee on audit matters.

- the Audit and Risk Committee ensures that the internal audit function has adequate resources, is staffed with persons with relevant qualification and expertise and has appropriate standing within the Group. On an annual basis, the Audit and Risk Committee assesses the effectiveness of the internal auditors by examining the scope of the internal auditors' work, the quality of their reports, their audit programme and compliance with the relevant professional internal audit standards as well as their independence of the areas reviewed.

The Audit and Risk Committee is satisfied that the internal audit function is independent, effective and adequately resourced.

By Order of the Board

Chionh Yi Chian/Angeline Ng
Company Secretary/Assistant Company Secretary
13 April 2023